

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1439 – SB 1644

February 11, 2014

**SUMMARY OF ORIGINAL BILL:** Renames the Industrial Highway Act as the State Industrial Access Act and adds railways to the provisions of the Act. Authorizes the Department of Transportation (TDOT) to develop and construct industrial highways and industrial railways when there is a finding made jointly by TDOT and the Department of Economic and Community Development (ECD), rather than by TDOT only with the approval of the Governor, that the industrial highways or industrial railways are an appropriate and cost-effective means to secure the development of an industrial site or park. Defines industry or industrial to mean: facilities for the manufacture of goods or for the production or processing of commodities; ports or other distribution centers for the storage or shipment of goods; corporate or administrative headquarters of business firms; and any facility of a business which ECD has determined to be eligible for a FastTrack industrial infrastructure and industrial site preparation grant or loan.

Establishes that municipalities are responsible for the maintenance of any industrial highway within the area of their jurisdiction. Redefines municipality to include any public railroad, port or transportation authority. Authorizes TDOT to enter into agreements with municipalities regarding the proportion of preliminary engineering, design and construction costs, rather than maintenance and construction costs, to be paid by the state and the municipality. Authorizes TDOT, for the purpose of developing and constructing any industrial railway, to use funds from the sale of fuels used for railways and allocated to the Transportation Equity Trust Fund that are not otherwise allotted by legislative action to other categories of railway construction and maintenance.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (012001):** Amendment 012001 removes industrial railways from the provisions of this bill.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

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Assumptions for the bill as amended:

- According to TDOT, the provisions of this bill will not result in a significant fiscal impact to the state or local government.
- Under current law, TDOT generally enters agreements with municipalities to share costs of delivering the industrial highway projects. Any costs associated with maintenance of such projects are covered by municipalities. The proposed bill establishes what is currently in practice: municipalities are responsible for the maintenance of any industrial highway within the area of their jurisdiction.
- According to ECD, any expenditures incurred to jointly make findings whether construction of an industrial highway is an appropriate and cost-effective mean to secure an industrial site or park will be not significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" and last name "Geise" clearly distinguishable.

Lucian D. Geise, Executive Director

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